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Message Text

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PAGE 01 DACCA 02197 160824 Z

13
ACTION OPIC-12

INFO OCT-01 NEA-10 ADP-00 EB-11 AID-20 TRSE-00 L-03 IGA-02

/059 W
---------- 075580
R 160709 Z MAY 73
FM AMEMBASSY DACCA
TO SECSTATE WASHDC 9750
INFO AMEMBASSY ISLAMABAD
AMCONSUL KARACHI

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E. O. 11652: N/ A
TAGS: EGIN, ZTID, PK, BG
SUBJECT: INTERCONTINENTAL HOTEL' S REPAYMENT OF COOLEY LOAN

REF: DACCA 2076

PASS OPIC

SUMMARY: TELEGRAM REPORTS FURTHER DEVELOPMENT IN IHC AGREEMENT WITH GOVERNMENT INCLUDING REPAYMENT COOLEY LOAN IN FULL. TEN- DAY DELAY IN SIGNING OF AGREEMENT EXPECTED.

1. GARCIA- MANSILLA, IHC/ NEW YORK, REPORTED MAY 15 AGREEMENT WITH BDG NOT YET SIGNED NOR HAS GOVERNMENT PUT ITS SIGNATURE TO 5- YEAR OPERATING AND MNAAGMENT CONTRACT DATED MAY 1, 1973. NEW LETTER OF AGREEMENT, DATED MAY 12, TO BE SIGNED BY BDG WHICH INDICATES FURTHER CONCESSIONS ON IHC SIDE. IHC EQUITY IN BANGLADESH SERVICES LTD. REDUCED FROM 17.5 PERCENT TO 16.8 PERCENT. AT TERMINATION MANAGEMENT CONTRACT, BDG TO PURCHASE IHC SHARES FOR $321,000, AS AGAINST UP TO $323,000 BEFORE; NO MENTION MADE OF BDG PURCHASE OF ADDITIONAL SHARES HELD IN TRUST BY IHC FOR UP TO $170,000. GARCIA ADVISED THAT IHC, HOWEVER, HAS GOTTEN SPECIAL ALLOWANCE TO REMIT TO NEW YORK AT EARLY DATE SOME $50,000.

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PAGE 02 DACCA 02197 160824 Z

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

2. PARAGRAPH IN RELATION TO PAYMENT OF OPIC EXPANDED BY UNDERLINED PHRASES, AS FOLLOWS: QUOTE (BEGIN UNDERLINE) IN RATIFICATION AND IMPLEMENTATION OF THE AGREEMENT SIGNED BETWEEN THE GOVERNMENT AND
BSL AND IHC ON OCTOBER 14, 1 972 (END UNDERLINE), THE GOVERNMENT WILL ALLOW BSL TO REMIT FORTHWITH AND BSL WILL FORTHWITH SO REMIT TO IHC ALL OVERDUE ACCOUNTS OWING FROM BSL TO IHC (BEGIN UNDERLINE) AS AT APRIL 30, 1973 (END UNDERLINE). THE GOVERNMENT WILL PLACE NO RESTRICTIONS WHATSOEVER ON THE USE BY IHC OF ANY AMOUNTS PAID OR TO BE PAID TO IHC IN TAKAS BY BSL (ON ACCOUNT OF IHC' S (BEGIN UNDERLINE) COMPENSATION FOR THE (END UNDERLINE) OPERATION AND MANAGEMENT OF THE HOTEL FROM DECEMBER 16, 1971 THROUGH APRIL 30, 1973 (BEGIN UNDERLINE) PURSUANT TO THE ARRANGEMENTS SET FORTH IN THE OCTOBER 14, 1972 AGREEMENT (END UNDERLINE)) FOR THE REPAYMENT, IN BANGLADESH, OF (BEGIN UNDERLINE) ANY (END UNDERLINE) LOANS (BEGIN UNDERLINE WHATSOEVER (END UNDERLINE) FROM THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (NOW THE OVERSEAS PRIVATE INVESTMENT CORPORATION). UNQUOTE.

3. OLD OCTOBER 1972 MANAGEMENT CONTRACT DOES NOT APPEAR TO RESTRICT IHC REPAYMENT RIGHTS. COPY OF IT AND OF NEW LETTER ARE BEING POUCHED OPIC.

4. GARCIA ADVISED THAT OBEROI HOTELS/ INDIA IS MAKING A BID TO TAKE OVER MANAGEMENT DACCA HOTEL, AT FEE ALLEDGEDLY LESS THAN IHC WOULD BE PAID. GARACIA IS CONFIDENT IHC AGREEMENT WILL GO THROUGH BUT NOW MUST BE RECLEARED THROUGH BDG IN ORDER AVOID ANY LATER CHARGE THAT GOVERNMENT FAVORING IHC OVER INDIANS. PROCESS WILL TAKE 10 DAYS, FOLLOWING WHICH GARACIA WILL RETURN HERE FOR FINAL SIGNATURE. FURTHER DETAILS IN MEMCON BEING POUCHED.
NEWBERRY

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*** Current Handling Restrictions *** n/a
*** Current Classification *** LIMITED OFFICIAL USE

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Draft Date: 16 MAY 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
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EO Systematic Review
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Subject: INTERCONTINENTAL HOTEL' S REPAYMENT OF COOLEY LOAN
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